

GOVERNOR OF MISSOURI

JEFFERSON CITY

65102

JEREMIAH W. (JAY) NIXON  
GOVERNOR

P.O. Box 720  
(573) 751-3222

June 28, 2011

Honorable Kathleen Sebelius  
Secretary  
Department of Health Human Services  
200 Independence Ave. SW  
Washington, D.C. 20201

Re: State of Missouri Level 1 Application for  
Cooperative Agreement to Support Establishment of State-Operated Health  
Insurance Exchanges CFDA: 93.525

Dear Secretary Sebelius:

The purpose of this letter is to provide my official endorsement of the enclosed grant application and the proposed Cooperative Agreement between the State of Missouri and the Department of Health and Human Services to support efforts toward the potential establishment of a health insurance exchange for the State of Missouri.

Section 1311 of the Affordable Care Act requires the establishment of health benefit exchanges to facilitate the purchase and sale of qualified health plans and qualified dental plans in the individual market and to assist qualified small employers in facilitating the enrollment of their employees in qualified health plans and qualified dental plans offered in the small group market. The intent of the exchange is to reduce the number of uninsured, provide a transparent marketplace, increase competition in the health insurance market, increase portability of health insurance coverage, reduce health care costs, provide consumer education, and assist individuals with access to programs, premium assistance tax credits, and cost sharing reductions. In states that choose not to establish a state exchange, the Department of Health and Human Services will establish a federal exchange which will serve residents and small businesses in the state pursuant to the requirements of the ACA.

In the nine months since Missouri was awarded its Exchange Planning Grant, consensus seems to be emerging that as long as the Affordable Care Act remains law, Missouri should act to establish a state-operated exchange rather than accept the default position of federal operation of an exchange within the State of Missouri.

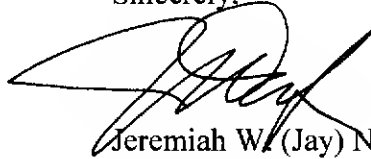
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Therefore, the purpose of the proposed Cooperative Agreement for a Level I Establishment Grant is to enable the State of Missouri to continue progress toward the potential establishment of a state health insurance exchange, while providing the opportunity for our General Assembly to craft authorizing legislation that shapes key design features of a Missouri exchange. With this purpose in mind, I have authorized the enclosed application and look forward to working with you and your staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay Nixon", with a large, sweeping flourish extending to the left.

Jeremiah W. (Jay) Nixon  
Governor

Enclosure